



**Project Implementation Unit  
Karachi Neighborhood Improvement Project  
Planning & Development Department  
Government of Sindh**



**TERMS OF REFERENCE**

**Institutional Assessment and Regulatory Review**

**for the Proposed Katchi Abadis Inclusive Development Project**

**1. Introduction**

The World Bank is working with the Government of Pakistan (GoP) and the Government of Sindh (GoS) to prepare the **Katchi Abadis Inclusive Development Project** (the Project) in line with the Sindh Vision 2030 and the Sindh Growth Strategy (2017). As part of the conceptualization and preparation of the Project, an institutional assessment will be undertaken to better understand the key central, state and local governmental institutions as well as non-governmental, community-level and private actors involved in development of katchi abadis in Karachi, and a regulatory review to understand the strength and weakness of regulations, standards and procedure related to planning, land regularization, infrastructure development and service delivery in katchi abadis. This TOR outlines the key tasks and responsibilities for a consulting firm (the Consultant) to carry out the assignment.

**2. Background**

**Urban areas in Pakistan are becoming increasingly exposed to climate change and disaster threats, particularly floods, rising temperature and heatwaves and droughts.** Climate projections for Pakistan show that precipitation variability and extreme precipitation events are both expected to rise, suggesting increasingly serious hazards into the medium term of both fluvial and pluvial flooding and of drought. As the most urbanized province in Pakistan, Sindh is particularly vulnerable to natural disaster events, with 15 percent of its GDP being lost yearly due to environmental degradation and climate change. Since 2010, damages incurred in Sindh from floods account for more than half of all flood damages across the country, with an estimated 14.5 million people in Sindh impacted by the most recent flood between June and August 2022. Sindh province faces drought in the northern and eastern region on a recurring basis. Coastal districts of Sindh are highly vulnerable to sea water intrusion, cyclone and windstorms. A strong heatwave with temperatures peaking at over 50°C in June-July 2015 also caused more than 1200 fatalities from heatstroke and dehydration, mostly in Karachi. Such extreme urban temperatures will likely increase seasonal water shortages in cities, without better management of rainfall and storm water runoff to replenish municipal water supply sources.

**These disaster and climate risks place increased pressure on already weak infrastructure and service delivery systems in Karachi, particularly for extending services to the urban poor.** Karachi is identified as one of the two cities with the lowest water availability where the city's water utility serves only approximately 30 percent of households, and average access to water was found to be two hours per day over three days of the week in the city and even fewer days per week and hours per day in informal settlements when water was available. In most katchi abadis, access to piped water supply and sewer system is non-existent. It's reported that residents in some katchi abadis in Karachi purchase water directly from the private providers at almost 50 times the cost of public water.

**There is high risk of shocks stemming from disaster and climate events pushing near-poor and vulnerable households into poverty, especially those living in katchi abadis, which are informal and unplanned settlements that have grown rapidly around the urban fringes in recent decades.** These katchi abadis, while having a small footprint on the land they occupy, house over 60 percent of the urban population in Sindh. For example, it's estimated that in Karachi, 62% of the city's population living in the



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580 *katchi abadis* occupy just 9% of the urban land (Hasan et al 2015). This means the inhabitants of these settlements are housed within incredibly high-density residential zones and are most vulnerable to extreme heat events, uneven access to electricity, serious shortages of water and semi-functional public sewerage networks. Overlapping roles and responsibilities and a lack of coordination among multiple government institutions regarding regularization and development of *katchi abadis* combined with minimal resource allocation has resulted in severe gaps in the urban service delivery. These gaps are being filled by informal service providers at a much higher cost to the inhabitants.

Recognizing the need to develop Karachi inclusively, **the Government of Sindh has requested the Bank's support for a proposed operation focusing on improving access to services for the urban poor, namely, the Katchi Abadis Inclusive Development Project.** By focusing on urban informal areas, this operation will complement the ongoing World Bank financed projects namely the Solid Waste Emergency and Efficiency Project, Competitive and Livable City of Karachi and the Karachi Neighborhood Improvement Project.

**Urban upgrading is an intensive process, requiring a range of institutions, specialist skills and capacities which need to be sustained over long periods of time.** Upgrading also entails multiple sectors and developmental responses (e.g. land tenure, infrastructure, education, health care etc.) which involve multiple departments and spheres of government. In addition, to ensure meaningful community participation in the upgrading process, it requires the active facilitation of social intermediaries to engage with communities and support them throughout the upgrading process, by providing socio-technical support and connecting them with the government, contractors and other service providers. In Karachi, there are a number of institutions involved in regularization and service delivery of *katchi abadis*. The Sindh *Katchi Abadi's* Act 1987 is an important legal framework to regularize and upgrade *katchi abadis*. The Sindh *Katchi Abadis* Authority (SKAA) was established under the Act to survey and map these settlements, improve with minimum demolitions, and issue leases or legal titles of the plots of land to those living there. Local institutions such as Karachi Municipal Corporation (KMC) and Karachi Development Authority (KDA) also regularize *katchi abadis*, following the same procedures as laid down by SKAA. Under the Sindh Special Development Board Act 2014 a Special Development Board (SDB) was constituted to facilitate and undertake low-cost housing schemes, rehabilitation of *katchi abadis*, Gothabad schemes, multistory and high-rise buildings. Karachi Water and Sewerage Board (KWSB) and Sindh Solid Waste Management Board (SSWMB) are key service providers for water, sanitation and solid waste, however their service provision in *katchi abadis* is very limited. An effort was made in 2013 to establish a *Katchi Abadi* Revenue Generation Cell (KARGC) in the KWSB with a mandate to updating the data base on consumers and take steps for improved bill delivery and revenue collection. The Planning and Development Department also plays a key role in ensuring coordination across the various service delivery agencies. Several NGOs/CBOs are also actively involved in advocacy and livelihood improvement for the urban poor and vulnerable groups such as women, youth and people with disabilities. However, there's no unified vision or integrated approach to upgrading, and coordination among these actors has proven challenging, resulting in regularization and service improvement for *katchi abadis* executed in an ad hoc manner and largely driven by political influence.

**Katchi abadis are considered informal partly because they do not comply with formal planning standards and procedures.** In many cases, standards for infrastructure and buildings (e.g., road width, building materials, etc.) and land registration procedure are too complicated and costly for the urban poor to comply. Better understanding of such constraints will shed light on the needs for adjusting standards and procedures to eliminate legal, regulatory, and procedural bottlenecks and incorporate *katchi abadis* into formal city planning.



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### 3. Objectives

The objective of this assignment is to: (i) map out the key central, state and local governmental institutions as well as non-governmental, community-level and private actors involved in development of katchi abadis in Karachi, clarify their roles and responsibilities, understand their constraints and any barriers for effective coordination and explore options for multi-stakeholder engagement for upgrading of katchi abadis; and (ii) review legal and regulatory framework related to planning, land regularization, infrastructure development and service delivery in katchi abadis, assess their strength and weakness, and understand constraints for integrating katchi abadis into formal city planning. Outputs of this assignment are expected to inform the design of the proposed Katchi Abadis Inclusive Development Project, including its implementation arrangements and design of interventions. Mapping the key actors will also help identify existing initiatives, help avoid duplication and indicate potential for synergies. Karachi is in the process of developing a new City Master Plan and findings of the regulatory review will be a timely input to the master planning initiative.

### 4. Scope of Work

#### Task I: Stakeholder Mapping and Institutional Assessment

The main objective of Task I is to review the de jure and de facto roles and responsibilities of the key stakeholders or actors (see list below) involved or having an interest in planning, land regularization, infrastructure/service provision and maintenance in katchi abadis in Karachi. Key activities include:

- (i) Reviewing policies, legal framework and existing institutional structure around regularization and service delivery to katchi abadis;
- (ii) Identifying and mapping out the relationship of key stakeholders, including those who are responsible for setting up policies and regulations, or have an institutional mandate and/or interest in upgrading of katchi abadis, technical institutions or specialists who can contribute their expertise, and power brokers who can use their influence in favor of the upgrading initiative;
- (iii) Documenting the de jure and de facto mandates/roles of the various entities involved in supporting katchi abadis, their ongoing initiatives, past experiences or future plans related to development of katchi abadis, noting down any consensus and divergence amongst key critical actors, their trust relationship and coordination mechanisms among them, and assessing their financial, human resources and technical capacity; and
- (iv) Proposing possible options for institutional arrangements for the upgrading of katchi abadis taking into account their roles, capacity, experiences and resources. Recommendations shall also look into the institutional arrangement and experience of working in katchi abadis under ongoing World Bank projects such as the Solid Waste Emergency and Efficiency Project (SWEEP) and Karachi Water and Sewerage Services Improvement Project (KWSSIP).

A list of potential key stakeholders/actors for the study is included below. The final list will be agreed upon between the Consultant and the Bank team at the inception stage based on an initial assessment of their importance/influence and resources/time available for the assignment.

- Central and provincial governments
- Local governments
- Utility companies
- Donor organizations



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- Micro-finance organizations
- Commercial banks
- Private service providers (including informal providers)
- Construction companies
- Property developers
- Landowners, owner occupiers, tenants
- Traditional leaders
- NGOs
- CBOs
- Slum dwellers' federations and networks
- Faith based organizations

A list of key questions to investigate is included below. The Consultant should further develop questions specific to each type of actors at the inception stage.

Institutional

- What is the entity's experience of planning, regularization, investment, service delivery and management in katchi abadis?
- What are the financial and organizational resources and legal powers they have related to upgrading of katchi abadis?
- Are their leaders interested in reform to improve services to the urban poor? Do leaders think their agency has the capacity to change and improve operations? If not, what is constraining them from achieving their goals?
- How dependent are the institution's functions on other institutions? To fulfill its mandate, how would other institutions need to change?
- Do they have the capacity and authority to coordinate internal actors coming from different departments and organizations?

Technical

- What is the entity's competence in the required technical areas (e.g. urban planning, engineering, urban economics, sociology, information and communication, social work)?
- Do they have staff with hands-on experience in informal settlement upgrading, including, for example, collecting data, planning for slum upgrading projects and aligning them with city plans, developing selection and prioritization criteria, land regularization, infrastructure development, community participation, resource mobilization, M&E?

Social

- Does the entity work with communities in katchi abadis?
- How well organized are they and what is their level and record of achievement?
- Do they represent the diversity of social groups in the katchi abadis and the city? (for NGOs/CBOs)
- Do they have experience in upgrading or similar work?
- Is their approach participatory?
- Could they become good socio-technical support providers if they were to receive training?



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Financial

- What is the annual budget allocation? How is the budget determined? What is the fluctuation from year to year?
- To what extent are their development priorities and budget commitment aligned?
- What is their experience regarding cost recovery, taxation, subsidy administration, and loan recovery?

**Task II: Regulatory Review on Land Regularization, Planning and Building, and Service Deliveries in Katchi Abadis**

The main objective of Task II is to review standards and procedure related to planning, land regularization, infrastructure development and service delivery in katchi abadis to understand the structure and the way in which legal and regulatory frameworks support or hinder the development of katchi abadis upgrading efforts. The review shall cover the following aspects:

Land tenure:

- Does the legislation recognize other types of land rights beyond individual freehold, such as leasehold, customary, occupation and collective land rights?
- Are there different land regularization mechanisms, i.e., from titling individual/collective freehold rights through shortened adverse possession, to issuing various types of occupancy or use permits for short-term residents in slums? What are the required documentary and non-documentary forms of evidence?
- Does the regulatory framework require the establishment of a transparent identification and verification system and the eligibility criterion for regularization of katchi abadis?
- Do streamlined and affordable procedure exist on land-related services for katchi abadis upgrading?
- Does the regulatory framework include the protection against forced evictions and rules on how eviction and relocation should be conducted?
- Are there judicial and non-judicial land dispute resolution mechanisms and legal aid available to low-income and priority groups?

Urban planning and building regulations:

- Do the planning frameworks establish the requirement to list, identify and map katchi abadis to integrate them into the city-wide plan?
- Are specific planning tools exist to deal with katchi abadis upgrading? Does the legal framework have regulations to allow land consolidation and re-parcelling in katchi abadis?
- Does the regulatory framework require the broad-based/inclusive (gender balance and youth etc.) community involvement in all planning phases?
- Does the law have uniform planning standards for the whole city or if special standards are available for informal settlements? Are there flexible requirements applied to informal settlement upgrading regarding minimum plot size, minimum parking requirements, floor-space ratios, height restrictions, plot coverage and set back rules?
- Are there specific regulations for incremental housing and self-construction, such as allowing the use of affordable and readily available local building materials (wood, mud, soil, corrugated iron,





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etc.), houses of limited size and elevation? Is the process of granting building permit or occupancy certificate for incremental housing and self-construction complex or costly?

- Does the regulatory framework allow the regularization of informally built houses ex post? If so, does the regulation framework require reduction of the cost, time and procedures to regularize/upgrade informally/poorly built housing?

Access to basic services including water, sanitation, solid waste and electricity in katchi abadis:

- Types of documents required (i.e., full property title, other proof of residence), and the complexity of the administrative process to connect the property to the public service network
- Does the legal framework contain an obligation to guarantee that all people have access to services and for utility companies to provide services to all parts of the city including katchi abadis?
- When network (i.e., piped water supply systems) cannot be built, are public investments made to support extension of services via alternative solutions (i.e., public standpipes, boreholes, protected dug wells, water kiosks, small-bore sewerage and neighbourhood-based treatment plants, etc.)?
- Does the regulatory framework have requirements to reduce the service cost for katchi abadis dwellers? Are there subsidies or consumer financing mechanisms (i.e., utility loans, on bill financing, micro-loans) available to support the payment of connection charges by consumers (initial installation fees, construction, operation, and maintenance costs, etc). Are people allocated to use various payment modalities (i.e, banks, direct debit, mobile money, scratch cards and payments at points of sale like supermarkets and fuel stations) for paying service charges?
- In the case of private sector or informal service providers, does legislation exist to regulate the operations, quality, safety, and quantity standards of service providers (public, private, or community-based)?

**5. Deliverables and Timeline**

No.	Deliverable	Timeline
1	Inception Report	Within two weeks of signing contract
2	Draft Institutional Assessment Report (Task I)	Within two months of signing contract
3	Draft Regulatory Review Report (Task II)	Within three months of signing contract
4	Stakeholder consultation workshops* and summary report for refining draft Institutional Assessment and Regulatory Review Reports	Continuously throughout contract duration
5	Final Report summarizing key findings of Institutional Assessment Report and Regulatory Review Report	Within four months of signing contract

\*The consultant is responsible for the logistic costs associated with organizing the stakeholder workshops and should include such costs in their financial proposal.

**6. Qualification Criteria**

No.	Criteria
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a.	<p>i. Name, address, Phone, Fax and E-mail address along with postal and telegraphic address contact person;</p> <p>ii. Certificate of Incorporation/Registration with authorized government department(s) of Consulting Firm as Legal Entity.</p> <p>iii. Corporate Profile providing sufficient information/details in following, but not limited to, areas in respect of a consultancy firm; (a) Years of operations; (b) Management Structure/Organogram of the firm with relevant information about Board/Directors etc.; (c) Core competencies related information etc.;</p> <p>iv. Certificates of National Income &amp; Sales Tax Numbers and proof of Active Tax Payer, of the Consultancy Firm/Joint venture Firms. Copies of respective certificates must be provided/furnished;</p>
b.	<p>i. Data Sheets of relevant (similar and specific experiences) assignments, duly substantiated, by the Firm/Joint venture's members either completed or in progress, with the following details:</p> <p>a. Name of the Project</p> <p>b. Cost of the Project</p> <p>c. Name and address of the Client</p> <p>d. If case of association of service providers, the names and address of all the partners</p> <p>e. Start &amp; Completion Date</p> <p>f. Number of staff-months provided by the firm (in case of association/JV, by other partner firms)</p> <p>g. Brief description of the services rendered</p> <p>ii. Any additional documents to support relevant experience of consultancy Firm/Joint venture (Copy of Work Order &amp; Satisfactory Work Completion Certificates from the client)</p>
c.	In case of Firms, participating in an association, sub-consultant or JV, original Letter(s) of Association from each associating partner, confirming the Lead Partner/Partner in Charge, on the letter head of a Firm/Partner duly signed and stamped, must be provided;
d.	National firms are required to submit affidavit on stamp paper duly notarized confirming that:
	<p>(a) applicant Firm/Joint venture(s) has never been blacklisted by any Government/Semi Government Organization and</p> <p>(b) list and status of litigation/arbitration by applicant Firm/Joint Venture</p> <p>(c) All the information provided by the applicant Firm/Joint venture is correct.</p>
e.	<p>The assignment shall be undertaken by an experienced core team of key staff each of whom is expected to have a minimum relevant experience of 15 years, besides adequate academic qualifications:</p> <ul style="list-style-type: none"> <li>• Team Leader (urban institutional specialist)</li> <li>• Urban planner</li> <li>• Land tenure specialist</li> </ul>



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|  | <ul style="list-style-type: none"><li>• Urban infrastructure specialist (in particular water supply and sanitation)</li><li>• Municipal finance/economist</li><li>• Social specialist(s) (with knowledge of gender aspects, communication and social mobilization)</li></ul> |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|